



**Health Services**  
LOS ANGELES COUNTY

**Los Angeles County  
Board of Supervisors**

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**Bruce A. Chernof, MD**  
Director and Chief Medical Officer

**John R. Cochran III**  
Chief Deputy Director

**William Loos, MD**  
Acting Senior Medical Officer

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August 3, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT  
(ALL DISTRICTS AFFECTED - 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director of Health Services or his designee to accept the attached offers of compromise, pursuant to Section 1473 of the Health and Safety Code, to settle the following individual accounts for patients who received medical care at non-County facilities under the Trauma Center Service Agreement:

|     |                       |         |
|-----|-----------------------|---------|
| (1) | Account Number EMS 70 | \$7,500 |
| (2) | Account Number EMS 61 | \$5,400 |
| (3) | Account Number EMS 66 | \$5,000 |
| (4) | Account Number EMS 63 | \$4,714 |
| (5) | Account Number EMS 62 | \$2,400 |

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The compromise offers of settlement for patient accounts (1) – (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in these cases.

The County has entered in a number of agreements with non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. This agreement allows the County, after it has made payment for a particular patient, to pursue recovery from third parties, who are financially responsible for such trauma care.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net recovery on these accounts.

**Implementation of Strategic Plan Goal:**

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

**FISCAL IMPACT/FINANCING:**

This will expedite the County's recovery of trauma funds totaling approximately \$25,014.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

**CONTRACTING PROCESS:**

Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

All payments received will replenish the Los Angeles County Trauma Fund.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, MD  
Director and Chief Medical Officer

BAC:cm  
(FICOMPROMISEBRDLTREMISAILETTER)

Attachments

- c. Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No.1  
DATE: August 3, 2006

|  |          |                               |                       |
|--|----------|-------------------------------|-----------------------|
| <b>Total Charges</b><br>(Providing Facility) | \$22,999 | <b>Account Number</b>         | EMS 70                |
| <b>Amount Paid to Providing Facility</b>     | \$7,500  | <b>Service Type</b>           | Inpatient             |
| <b>Compromise Amount Offered</b>             | \$7,500* | <b>Date of Service</b>        | 07/23/2005-07/24/2005 |
|  |          | <b>% of Payment Recovered</b> | 100%                  |

### JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at St. Mary Hospital and incurred total inpatient charges of \$22,999 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$7,500. The patient's third-party claim has been settled for \$30,000 and his attorney is proposing the following disbursement of the proceeds:

| <b>Disbursement</b>       | <b>Total Claim</b> | <b>Proposed Settlement</b> | <b>Percent of Settlement (\$30,000)</b> |
|---------------------------|--------------------|----------------------------|---|
| <b>Attorney fees</b>      | \$9,670            | \$9,670                    | 32.2%                                   |
| <b>Attorney Cost</b>      | \$324              | \$324                      | 1.1%                                    |
| <b>Los Angeles County</b> | \$22,999           | \$7,500*                   | 25.0%                                   |
| <b>Other Lien Holders</b> | \$3,472            | \$1,835                    | 6.1%                                    |
| <b>Patient</b>            | -                  | \$10,671                   | 35.6%                                   |
| <b>Total</b>              |                    | \$30,000                   | 100.00%                                 |

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

\* Represents 100 % of the amount Los Angeles County paid to St. Mary Hospital from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: August 3, 2006

|  |          |   |                       |
|--|----------|---|-----------------------|
| <b>Total Charges</b><br>(Providing Facility)       | \$34,250 | <b>Account</b><br><b>Number</b>                   | EMS 61                |
| <b>Amount Paid to</b><br><b>Providing Facility</b> | \$8,239  | <b>Service</b><br><b>Type</b>                     | Inpatient             |
| <b>Compromise</b><br><b>Amount Offered</b>         | \$5,400* | <b>Date of</b><br><b>Service</b>                  | 01/12/2004-01/14/2004 |
|  |          | <b>% of</b><br><b>Payment</b><br><b>Recovered</b> | 66%                   |

## JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Cedars-Sinai Medical Center and incurred total inpatient charges of \$34,250 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$8,239. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

| <b>Disbursement</b>       | <b>Total Claim</b> | <b>Proposed Settlement</b> | <b>Percent of Settlement (\$15,000)</b> |
|---------------------------|--------------------|----------------------------|---|
| <b>Attorney fees</b>      | \$5,000            | \$5,000                    | %33.3                                   |
| <b>Attorney Cost</b>      | -                  | -                          | -                                       |
| <b>Los Angeles County</b> | \$34,250           | \$5,400*                   | 36.0%                                   |
| <b>Other Lien Holders</b> | \$4,619            | \$2,324                    | 15.6%                                   |
| <b>Patient</b>            | -                  | \$2,276                    | 15.1%                                   |
| <b>Total</b>              |                    | \$15,000                   | 100.00%                                 |

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

\* Represents 66% of the amount Los Angeles County paid to Cedars-Sinai Medical Center from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3  
DATE: August 3, 2006

|  |          |                               |                      |
|--|----------|-------------------------------|----------------------|
| <b>Total Charges</b><br>(Providing Facility) | \$31,954 | <b>Account Number</b>         | EMS 66               |
| <b>Amount Paid to Providing Facility</b>     | \$12,089 | <b>Service Type</b>           | Inpatient            |
| <b>Compromise Amount Offered</b>             | \$5,000* | <b>Date of Service</b>        | 01/29/204-02/02/2004 |
|  |          | <b>% of Payment Recovered</b> | 41%                  |

### JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Medical Center and incurred total inpatient charges of \$31,954 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$12,089. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

| <b>Disbursement</b>       | <b>Total Claim</b> | <b>Proposed Settlement</b> | <b>Percent of Settlement (\$15,000)</b> |
|---------------------------|--------------------|----------------------------|---|
| <b>Attorney fees</b>      | \$5,000            | \$4,721                    | 31.5%                                   |
| <b>Attorney Cost</b>      | \$268              | \$268                      | 1.8%                                    |
| <b>Los Angeles County</b> | \$31,954           | \$5,000*                   | 33.3%                                   |
| <b>Other Lien Holders</b> | \$1,964            | \$290                      | 1.9%                                    |
| <b>Patient</b>            | -                  | \$4,721                    | 31.5%                                   |
| <b>Total</b>              |                    | \$15,000                   | 100.00%                                 |

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

\* Represents 41 % of the amount Los Angeles County paid to Long Beach Memorial Medical Center from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4  
DATE: August 3, 2006

|  |          |                               |                       |
|--|----------|-------------------------------|-----------------------|
| <b>Total Charges</b><br>(Providing Facility) | \$33,446 | <b>Account Number</b>         | EMS 63                |
| <b>Amount Paid to Providing Facility</b>     | \$10,700 | <b>Service Type</b>           | Inpatient             |
| <b>Compromise Amount Offered</b>             | \$4,714* | <b>Date of Service</b>        | 03/20/2005-03/22/2005 |
|  |          | <b>% of Payment Recovered</b> | 44%                   |

## JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at California Hospital Medical Center and incurred total inpatient charges of \$33,446 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$10,700. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

| <b>Disbursement</b>       | <b>Total Claim</b> | <b>Proposed Settlement</b> | <b>Percent of Settlement (\$15 ,000)</b> |
|---------------------------|--------------------|----------------------------|--|
| <b>Attorney fees</b>      | \$5,000            | \$3,750                    | 25%                                      |
| <b>Attorney Cost</b>      | \$15               | \$15                       | .1%                                      |
| <b>Los Angeles County</b> | \$33,446           | \$4,714*                   | 31.4%                                    |
| <b>Other Lien Holders</b> | \$2,027            | \$811                      | 5.4%                                     |
| <b>Patient</b>            | -                  | \$5,709                    | 38.1%                                    |
| <b>Total</b>              |                    | \$15,000                   | 100.00%                                  |

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

\* Represents 44 % of the amount Los Angeles County paid to California Hospital Medical Center from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5  
DATE: August 3, 2006

|  |          |                               |                       |
|--|----------|-------------------------------|-----------------------|
| <b>Total Charges</b><br>(Providing Facility) | \$17,716 | <b>Account Number</b>         | EMS 62                |
| <b>Amount Paid to Providing Facility</b>     | \$2,926  | <b>Service Type</b>           | Inpatient             |
| <b>Compromise Amount Offered</b>             | \$2,400* | <b>Date of Service</b>        | 04/20/2006-04/21/2006 |
|  |          | <b>% of Payment Recovered</b> | 82%                   |

### JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Northridge Hospital and incurred total inpatient charges of \$17,716 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$2,926. The patient's third-party claim has been settled for \$7,500 and his attorney is proposing the following disbursement of the proceeds:

| <b>Disbursement</b>       | <b>Total Claim</b> | <b>Proposed Settlement</b> | <b>Percent of Settlement (\$7,500)</b> |
|---------------------------|--------------------|----------------------------|--|
| <b>Attorney fees</b>      | \$1,500            | \$2,400                    | 20.0%                                  |
| <b>Attorney Cost</b>      | \$1,545            | \$1,545                    | 20.6%                                  |
| <b>Los Angeles County</b> | \$17,716           | \$2,400*                   | 32.0%                                  |
| <b>Other Lien Holders</b> | \$3,004            | \$729                      | 9.7%                                   |
| <b>Patient</b>            | -                  | \$1,326                    | 17.7%                                  |
| <b>Total</b>              |                    | \$7,500                    | 100.00%                                |

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

\* Represents 82 % of the amount Los Angeles County paid to Northridge Hospital from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.